BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

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- **Cash receipts for crops and livestock up 2.0% in first quarter**
- **Number of EI beneficiaries jumps 26.7%**
- **Revenues down 1.7% in March for food service and drinking place industry**

The Economy

- **Lumber production by BC's sawmills continued to slide in March, dropping 23.9% compared to the same month last year.** While Coastal mills experienced a substantial drop in the output of lumber (-37.0%), Interior sawmills, representing nearly 90% of BC's lumber production, saw a decline in output of more than one-fifth (-22.0%). On a year-to-date basis, the amount of lumber produced has slowed by nearly one-third (-30.4%).

Data Source: Statistics Canada

- **The number of Employment Insurance (EI) beneficiaries receiving regular benefits in British Columbia jumped 26.7% (*seasonally adjusted*) between February and March, more than double the national average (+10.6%).** This marks the largest recorded month-to-month increase in regular beneficiaries in BC where comparable data is available.

Data Source: Statistics Canada

- **The number of people collecting regular benefits (*unadjusted for seasonality*) in BC has more than doubled (+119.7%) between March 2008 and March 2009.** Considering recently recorded employment losses in construction and manufacturing, positions that are largely held by male workers, it is not surprising that the increase in the number of men receiving regular benefits (+140.9%) has risen much more dramatically than that of women (+80.4%). Particularly hard-hit were BC's youth where the number of recipients has increased 176.9%. In Victoria, the number of beneficiaries increased 159.4%, while in Vancouver, an increase of 136.0% was recorded.

Data Source: Statistics Canada

- **Sales for British Columbia's food services and drinking industry fell 1.7% (seasonally adjusted) in March.** Both food services (-1.4%) and drinking establishments (-4.8%) contributed to the recorded slump in revenues. Nationally, receipts in the industry were off 0.8% from the previous month with seven provinces registering declines. British Columbia (-1.7%), Manitoba (-1.6%) and Alberta (-1.5%) posted the largest decreases in sales. *Data Source: Statistics Canada & BC Stats*

First Quarter in Review

- **First quarter sales in BC's food services and drinking places industry dipped 0.9% (*seasonally adjusted*) compared to the previous quarter.** Receipts at drinking places slipped slightly lower (-0.5%) after registering a sharp increase (+7.0%) during the fourth quarter of 2008. Food service establishments also saw revenues shrink (-0.9%).

Data Source: Statistics Canada & BC Stats

- **Market receipts from the sale of crops and livestock were up 2.0% (*seasonally adjusted*) during the first quarter of 2009.** This increase was largely due to increased sales for livestock producers (+3.7%), particularly cattle farmers (+14.1%). Lower feed grain prices and a depreciation in the loonie against the American greenback helped to keep costs of production down and livestock market prices competitive. Crop sales in BC inched ahead (+0.2%) during the first quarter. National crop and livestock receipts were up 2.4%.

Data Source: Statistics Canada & BC Stats

Report | Fifteen Years of Free Trade with Mexico

Did you know...
In 2008, Canadians (aged 15 and older) drank about 77 litres of beer per capita. That's a little over 38 "six-packs" or slightly more than one can of beer every other day!
Data Source: SC Cat. no. 21-020-X

Pension Shifting

- **From 1991 to 2006, the number of Canadians covered by privately-funded defined benefit pension plans has stagnated while membership in defined contribution plans had nearly doubled (+92.9%).** This increase in defined contribution plan coverage is widespread, with all industries recording a higher proportion of their workers covered by defined contribution plans over this period. In 2006, some industries in the private sector, including agriculture, forestry, fishing and hunting (55.6%), mining, quarrying and oil & gas extraction (54.2%), and wholesale trade (51.1%) now have most of their workers enrolled in defined contribution plans.

During this time the share of retirement income attributable to privately-funded registered pension plans has risen from 23% in 1991 to 32% in 2006. This pension shifting is even more dramatic in the US where, between 1975 and 2005, the share of private-sector employees covered by defined contribution plans increased from 26% to 64%.

During times of economic contraction, defined contribution plans (such as deferred profit-sharing plans) are less attractive to employees given that benefits are directly tied to the profitability of the company. Defined benefit plans (such as best-average earnings plans), on the other hand, transfer that risk to employers as benefit levels are guaranteed

Data Source: SC Cat. no. 75-001-X

Crime

- **In 2004, Canadians living with a disability experienced a violent victimization rate (147 reported incidents per 1,000 persons) that was significantly higher than those without a disability (101 per 1,000 persons).** Those that suffered from mental or behavioural disorders were at a much higher risk (845 per 1,000 persons) than those that did not (197 per 1,000 persons).

Age was the most significant characteristic linked with higher victimization rates. Youth (aged 15 to 24 years) were more than 11 times more likely to be the victim of violent crime than those aged 55 years and older. By comparison, youth without a disability were 5 times more likely to be the victims of violence than those aged 55 and older that did not have a disability.

While a higher proportion of disabled persons that were victims of violence (30%) reported the offence to police than those without a disability (19%), they were also less satisfied with the criminal justice system. For example, nearly half (46%) of disabled persons believed that the courts do a poor job of providing justice compared to just over one-third (35%) of persons without a disability.

Data Source: SC Cat. no. 85F0033M

Food Consumption

- **In 2008, the Canadian total daily intake of calories per person was 2,382, a decline of 131 calories from the peak recorded in 2001.** On a per capita basis, Canadians added more berries (+10.9%), tea (+9.3%), asparagus (+9.1%), yogurt (+7.6%), processed fruits (+6.6%), wine (+2.6%) and poultry (+1.1%) to their diet. Per capita consumption of red meat (-5.1%), milk (-1.3%) and oils & fats (-1.0%) declined in 2008, continuing their respective current downward trends. *Data Source: SC Cat. no. 21-020-X*

The Nation

- **Canadian corporations reported an 11.8% (*seasonally adjusted*) drop in operating profits during the first quarter of 2009 as 18 of 22 key industries posted declines.** Oil & gas extractors saw profits shrink by one-third (-33.5%) from the previous quarter, while profits were off by one-quarter (-24.4%) for the country's petroleum & coal producers. Overall, operating profits in the manufacturing sector declined 15.1% with the auto industry (-$1.8 billion) and wood and paper manufacturers (-$177 million) reporting operating losses due to weaker market demand. *Data Source: Statistics Canada*

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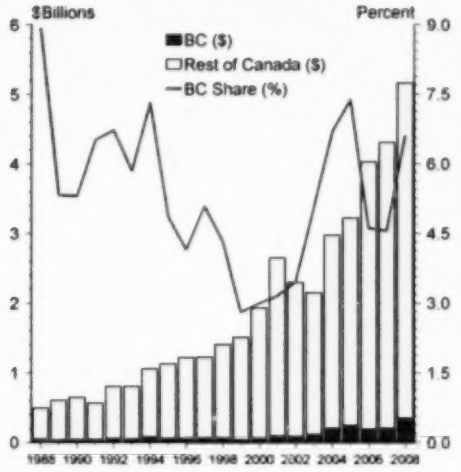
originally published in
Exports Issue 09-02

Fifteen Years of Free Trade with Mexico

Canada has enjoyed free trade with Mexico for fifteen years, ever since the North American Free Trade Agreement (NAFTA) came into force on January 1, 1994.[1] Between 1993 and 2008, bilateral trade between Canada and Mexico has soared by over 400%, rising from approximately $4.5 billion to almost $23.8 billion.[2]

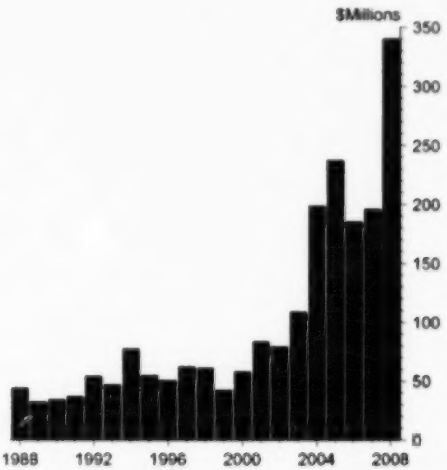
Canadian exports to Mexico have increased substantially since NAFTA was signed, but BC's trade with Mexico remains small



Source: Statistics Canada

Canadian commodity exports to Mexico have grown from less than $0.8 billion in 1993 to almost $5.2 billion in 2008. British Columbia's share of Canadian merchandise shipments to Mexico has fluctuated significantly over the last two decades, initially dropping for the first several years after the NAFTA was signed, then rebounding in more recent years. There has been significant growth in BC origin exports to Mexico in the last five years; nevertheless, BC's commodity shipments to Mexico remain relatively small with Mexico ranked eleventh as a destination for BC's goods. By comparison, it was ranked fifth as a destination for Canadian exports.

Although still relatively small, BC exports to Mexico have grown substantially in recent years



Source: Statistics Canada

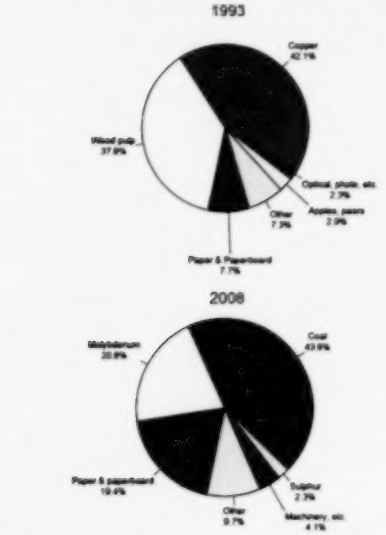
In 2008, British Columbia was the source of less than seven percent of Canada's commodity exports to Mexico. Ontario was the top province in terms of goods shipped to Mexico, with almost 40% of Canadian exports to that country originating in Ontario. Alberta (21%), Quebec (15%) and Saskatchewan (10%) also ranked ahead of British Columbia.

[1] For a profile of Canada's trade with its other NAFTA partner, the United States, see the January 2009 Exports feature article, "Twenty Years of Free Trade with the United States."

[2] Note that these figures may be underestimated. Studies performed by Statistics Canada indicate that trade figures compiled by Canada differ significantly from those compiled by Mexico. See the May 2005 Exports feature article, "Comparative Trade Numbers Don't Add Up" for more information.

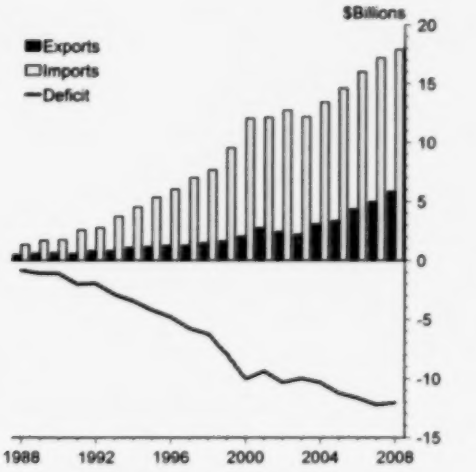
Vehicles and parts were the top export from Ontario to Mexico, followed by other manufactured products. Alberta's main exports to Mexico consisted of food products, particularly rape or colza seeds, but machinery and equipment and plastics were also significant export items. Quebec's top shipments to Mexico were aluminum and articles of aluminum, iron and steel, and chemical products.

BC's commodity exports to Mexico have changed significantly in the last 15 years



Source: Statistics Canada

Canada's trade deficit with Mexico has expanded since NAFTA was signed



Source: Statistics Canada

The types of goods exported from British Columbia to Mexico have changed dramatically over the last 15 years. Before NAFTA, in 1993, BC's top commodity export to Mexico was copper ores and concentrates, followed by wood pulp. In 2008, coal was the most significant export, followed by molybdenum ores and concentrates. The one constant is that the province's mining and forestry sectors are still responsible for the bulk of shipments to Mexico.

Canada's top exports to Mexico in 2008 were vehicles and parts, rape or colza seeds and machinery and equipment. While resource products, particularly agricultural goods, represent a large portion of Canadian shipments to Mexico, the same is not true of Mexican goods imported into Canada. The bulk of these goods are machinery and equipment, vehicles and parts and other manufactured goods. Canada did import close to one billion dollars worth of crude petroleum from Mexico in 2008, but this comprised less than six percent of total imports from that country.

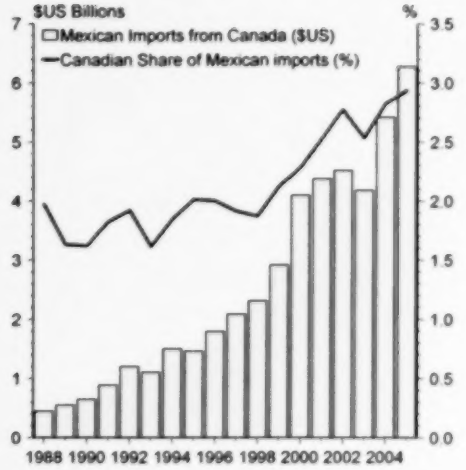
Overall, imports from Mexico far outnumber exports to that country, such that Canada's balance of trade with Mexico is substantially in deficit. Although the value of Canada's exports to Mexico has grown faster than imports from that country over the last 15 years, the relative size difference has resulted in the trade deficit expanding considerably over that period, such that, in 2008, the commodity trade deficit with Mexico stood at more than $12 billion. Mexico ranks third after the United States and China as a source for Canadian imports.

Although Canada's share of the Mexican market has increased since NAFTA came into effect, it is still relatively small (around

three percent as of 2005). For both Canada and Mexico, the United States remains by far the largest source of imports into those countries. Nevertheless, Canada and Mexico are important to each other as trade partners.

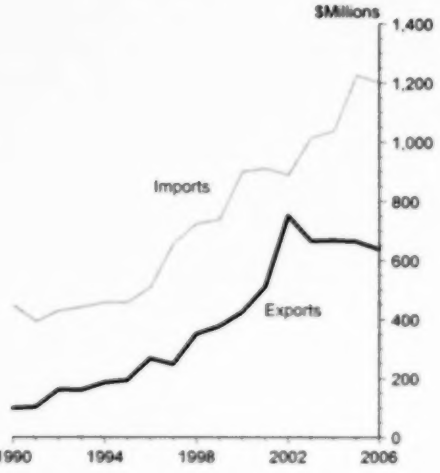
In addition to the growth in merchandise trade, there has also been a significant expansion in trade in services between Canada and Mexico. However, the value of two-way trade in services is around $2 billion, or only about one tenth that of trade in goods. As with goods, Canada also has a deficit in trade in services with Mexico. The large majority of Canada's service imports from Mexico are services provided to travellers. This could be attributed to Mexico's popularity as a destination for Canadian tourists.

Canada's share of the Mexican market has risen since the signing of NAFTA, but remains relatively small



Source: Statistics Canada

Trade in services between Canada and Mexico has experienced significant growth since the signing of the free trade agreement



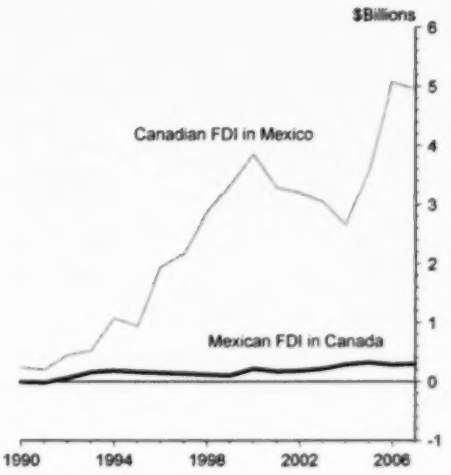
Source: Statistics Canada

Canada has a surplus in trade in commercial services, which is mainly the result of the significant amount of Canadian direct investment in Mexico. Since NAFTA came into force, Canadian foreign direct investment in Mexico has taken off, climbing from approximately $530 million in 1993 to a shade under $5 billion in 2007. There has also been some growth in Mexican foreign direct investment in Canada, but it remains relatively insignificant at less than $300 million in 2007.

While trade between Canada and Mexico has experienced some strong growth over the last 15 years, there are still opportunities for further development. Market opportunities in Mexico that the Government of Canada have identified as a good match to Canadian exporters' strengths include manufacturing technologies; agriculture, food and beverages; building products and construction; environmental industries such as water treatment, solid waste management and renewable energy; and information and communication technology.

British Columbia has experience in some of these areas: Building products have long been a staple of BC's exports, while industries developing environmental technologies and high technology products have experienced significant growth in recent years and are becoming more important in the provincial economy. The strong growth in shipments from BC to Mexico in 2008 may be an indication that BC exporters are finding new markets in Mexico.

Canadian foreign direct investment in Mexico has increased dramatically over the last 15 years, but Mexican investment in Canada is still minimal



Source: Statistics Canada

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Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jan 1/09	% change on one year ago
BC	4,420.0	1.7
Canada	33,504.7	1.2
GDP and INCOME (Revised Apr 27)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	199,214	3.5
GDP *($ 2002 millions)*	164,161	-0.3
GDP *($ 2002 per Capita) (reflects revised pop)*	37,466	-1.9
Personal Disposable Income *($ 2002 per Capita)*	26,110	3.3
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Mar	2,755	1.4
Merchandise Exports - Mar	2,216	-10.0
Retail Sales - Mar	4,266	-1.4
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Apr 2009)		
BC	0.3	2.1
Vancouver	0.4	2.3
Victoria	0.4	2.0
Canada	0.4	2.1
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Apr '09	prev. month
Labour Force - BC	2,437	0.7
Employed - BC	2,257	0.8
Unemployed - BC	180	-0.2
		Mar '09
Unemployment Rate - BC *(percent)*	7.4	7.4
Unemployment Rate - Canada *(percent)*	8.0	8.0
INTEREST RATES (percent)	May 27/09	May 28/08
Prime Business Rate	2.25	4.75
Conventional Mortgages - 1 year	3.90	6.15
- 5 year	5.25	6.65
US-CANADA EXCHANGE RATE	May 27/09	May 28/08
(avg. noon spot rate) Cdn $ per US $	1.1120	0.9915
(closing rate) US $ per Cdn $	0.8933	1.0102
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Apr '09	one year ago
BC	802.16	3.9
Canada	800.33	3.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Socio-Economic Profiles

Revisions for 2008 now available. The profiles consist of charts and tables for the 26 Regional Districts, 86 Local Health Areas, 16 Health Service Delivery Areas, 5 Health Authorities, 8 Development Regions, and 15 College Regions within the Province of British Columbia. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

BC Economic Accounts

With this release from Statistics Canada, preliminary estimates have been made for 2008 without revisions to previous years. BC gross domestic product (GDP), personal income, final domestic demand and trade flow data have been updated on our website.

www.bcstats.gov.bc.ca/data/bus_stat/econ_acct.asp

Released this week by BC Stats

- Business Indicators, May 2009
- Current Statistics, May 2009

Next week

- Quarterly Regional Statistics, 1st Quarter 2009
- Tourism Room Revenue, May 2009
- Labour Force Statistics, May 2009
- Earnings & Employment Trends, May 2009

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